

What's driving your decisions?

A global look at why business leaders are
not using data before developing strategies
and implementing tactics

Prepared in partnership by CIM and Arlington Research

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About our research project

If you set off on a journey without knowing where you were heading or the best route to take to get from A to B, how confident are you that you'd get to where you're going safely, in a timely manner, and without running out of fuel?

Now take that idea, add the livelihoods of your employees, shareholders and customers and you have what many brands are doing right now trying to navigate their way out of a global pandemic without a clear, considered plan based on data and insight. So, what is driving this decision making, or who? And are employees on board?

As businesses feel their way and try to understand what the 'new normal' looks like for them, marketing departments are being asked to come up with plans for how best to move forward. Dangerously, many of these plans are based on getting back to how it was before. But the terrain has, unquestionably, changed.

Before your business can decide on any strategy, the board, and your most senior marketers need to have a firm grasp of the situation. Now is a time for tact and timing, in terms of the content you put out into a fragile world and before an increasingly frightened and frustrated public.

To help you understand why this decision making happens, we decided to investigate what potential disconnect exists between decisions that businesses are making and the response on the ground.



Our survey explored three key areas:

1. Customers

- How regularly do organisations survey their customers?
- Is there an adequate process for sharing knowledge about customer experience upwards within an organisation?
- Do employees believe business decisions are being made without understanding the customers' needs?

2. Competition

- Do companies know exactly who their competition is?
- Do businesses monitor what the competition communicates in the public domain?
- Are employees envious of the marketing efforts of the competition?

3. Communication

- Is there regular communication from management about business performance?
- Do employees believe their organisation's business strategy is effective?
- Is there faith the company has a strategic vision?

Marketers are ideally placed to help businesses respond to the challenges faced by offering insight into customers and competitors. Only with all the facts can businesses diagnose the very real problems that lay ahead and navigate a way out, with both stakeholders and employees on board.

Foreword

Chris Daly,
CEO, Chartered Institute of Marketing



As we begin to plan for life and business following the Covid-19 pandemic, there is no doubt many companies will lose the fight. Almost daily there are news reports of businesses making redundancies or reporting record losses. Blue-chip brands previously thought untouchable, like Rolls-Royce, have reported record losses with the firm announcing a pre-tax loss of £5.4bn for the first half of 2020.

More than any time in recent history, businesses and organisations of all sizes need to be equipped with insights to help them plan and make the right decisions. Only with the right data can businesses adapt and innovate to ensure their survival and growth.

Insight regularly falls to the marketing department. As a result, marketing has a key role to play in helping businesses thrive, while also cementing its position as an indispensable tool of the C-Suite.

Net promoter scores to gauge the pulse of customer satisfaction and surveys have been a staple of marketers for a long time. Used to justifying spend and campaigns, the marketing department has long turned to research to underpin the decision-making process and impact it can have on a business. So, who better than the marketing department to take the wheel?

How can any business create a strategy if they don't know how their customers are feeling, who their competitors are and what they're doing?

In the past, marketing as a whole has been misunderstood. Our strategic role has been missed. The first in our Impact of Marketing research series found that 40% of marketing professionals believe those who work outside of marketing do not understand what marketers do. Yet when asked, 'What is most important to the success of your organisation?', marketing ranked in the top three, after customer retention and growth. While those outside of marketing don't always fully understand the real value it can bring, they do see it as a vital component of an organisation.

This changing perception is also due to an increasing number of CMOs using the language of the boardroom to challenge misconceptions around the value marketing brings.

When you consider the facts, how can a company hope to implement any worthwhile tactics if the strategy and thinking behind it hasn't been adequately communicated to your employees? If your team isn't clear on how a strategic vision has been created and what it's based on, you run the risk of them not being 100% behind the approach. This again is where marketing is vital. The ability to tell the right story at the right time can be incredibly powerful. Done well, it can enable the C-suite to galvanise a workforce, change company culture and drive revenues. In this digital COVID age, where business transparency is expected, chief executives and leaders must make their stories authentic and accessible, letting them trickle down the organisation organically as they are passed from person to person.

At CIM we're investing heavily to help marketers get that seat at the top table. Arming them with the insight and learning to drive strategic marketing plans that deliver real business advantage.

It might sound obvious, but as you will read, our research shows too many boards are relying on 'blind assumptions' or not making it clear to their employees what insight is driving decisions. Forecasting the future is always difficult. Insight won't make it flawless. Even with the best data it's still an educated guess. But an educated guess is far better than the presumptions of a few, especially when your business is on the line.

If your business is to succeed in the new normal, insight is essential. At the Chartered Institute of Marketing we don't believe there's a better department to drive strategic decisions at this time other than marketing.

Methodology

Our survey was conducted online between 30 July and 11 August 2020, surveying 4,000 respondents, with 3,000 respondents using IT as part of their role and 1,000 respondents being decision-makers within the business. We then worked with the Chartered Institute of Marketing to analyse the results and develop a report, which could both educate and provide actionable advice.

The size of business the respondents worked for was one with a minimum of 10 employees. Respondents came from the USA (1,000 respondents), UK (1,000 respondents), Germany (1,000 respondents), and Australia (1,000 respondents). A minimum of 250 respondents per country had a decision-making role.



Global headlines

- **76%** of decision-makers said their organisation regularly surveyed their customers compared with **55%** of employees.
- Over a third (**37%**) of employees said their organisation doesn't have an adequate process to share knowledge about customers' needs upwards in the company. This rose to over half (**56%**) when we asked decision-makers within the business.
- Six in ten (**59%**) of decision-makers believe the board make decisions in their organisation without understanding the needs of their customers.
- **81%** of decision-makers and **64%** of employees believe the organisation they work for knows exactly who their competition is.
- Less than half of employees believe their organisation monitors how the competition communicates in the public domain. This rose to **71%** amongst decision-makers.
- Over half (**55%**) of decision makers believe the competition's marketing is better than theirs, while almost two fifths (**37%**) of employees agreed with this statement.
- **75%** of decision-makers said they receive regular communication from management about business performance, dropping to **59%** for employees.
- Over half of employees (**57%**) felt their organisation had an effective business strategy for the next 12 months, increasing to **75%** amongst decision-makers.
- But, over a third of employees (**36%**) don't believe their company has a strategic vision. This increased to **49%** when answered by decision-makers.



Our findings

1. Customers

My organisation regularly surveys our customers to understand their needs

The good news is 76% of decision-makers agreed with this statement. We were reassured by the findings to see that just over three quarters of businesses surveyed considered they were listening to their customer's feedback on a regular basis. Although, when questioned, only 55% of employees agreed with them, showing a disconnect. Is this a problem with perception or internal communication?

The highest score was in the US, with 86% of decision-makers agreeing with the statement and somewhat disappointingly lowest in the UK at 71%. Employees in the US, however, took a dim view with only 58% agreeing. Employees in Australia disagreed further, scoring just 53% by comparison.

My organisation regularly evaluates the experiences our customers have using our product/service and adapts

Over three quarters (77%) of decision-makers agreed with the statement, which again is a good statistic. Though just 56% of employees felt the same, evidence of a further disconnect.

The figures were highest amongst decision-makers in the US (88%) and this time lowest in Germany (68%). Both countries also scored highest and lowest for employees' feedback; 59% in the US and 54% in Germany respectively.

Our findings showed British employees felt the same as their German counterparts (also at 54%), and Australian workers felt slightly more optimistic at 58%.

I believe customer perceptions of my organisation's brand have changed for the worse during the Covid-19 pandemic

The gulf between decision-makers and employees grew wider here, with 56% of decision-makers agreeing with this statement, while only 35% of employees did. What do decision-makers know that employees don't? What's not being shared or communicated well?

Again, findings were highest amongst decision-makers in the US (73%) and lowest in Germany (47%). Which directly corresponded with the employees' results, just to a lesser degree; highest amongst employees in the US (44%) and lowest amongst employees in Germany (as low as 30%). Surely communication must be an issue?



My organisation doesn't have an adequate process for sharing knowledge about customer needs upwards within my organisation

The findings here were slightly more concerning, with just over half (56%) of our decision-makers surveyed agreeing with this statement. It dropped further amongst employees with only 37% believing their organisation had an adequate process in place.

The UK didn't fare well amongst either group; it was the lowest country in terms of decision-makers' agreement (48% compared to the highest findings in the US at 68%), and lowest amongst employees (35% compared to the highest findings in the US at 41%). Although even the US figures are cause for concern, showing there's work to be done in communicating with staff.

I believe decisions in my organisation are made by the board (or equivalent) without understanding the needs of our customers

This stat really jumped out, with 59% of decision-makers agreeing with this statement, closely followed by 42% of employees. The US scored highest (74%) and agreement was lowest in Germany (51%). US employees also agreed the most (48%) and slightly behind were German workers with 37% backing the sentiment.

The results are particularly disconcerting when you consider how many decision-makers say they survey their customers. While the results suggest businesses are checking in with customers, the feedback implies there isn't an adequate process internally to share the findings and boards are blindly making decisions based upon what they have always done. The chain of communication is clearly broken.

2. Competitors

My organisation knows exactly who our competitors are

This question provoked a big difference in responses between decision-makers and employees. Overall, 81% of decision-makers agreed compared to 64% of employees.

It was notable in the US (90% of decision-makers versus 67% of employees, the highest in both categories). And lowest in the UK for decision-makers (77%), falling lower still amongst German employees at just 62%. Although British and Australian workers weren't far behind Germany's workforce with only 63% of employees in both countries agreeing.

Is this because employees are on the frontline and see new competitors are emerging during the global crisis as companies 'pivot' and adapt in the wake of the fall out. Put simply, employees aren't convinced their company is taking advantage of their marketing team's ability to source data on who the competition now is and what they are doing.

My organisation monitors how our competitors communicate in the public domain e.g. on websites or in the media/publications

Our findings here show a further disconnect amongst decision-makers and employees, with 71% of decision-makers agreeing compared to less than half (48%) of employees.

The US fared best in both groups (84% of decision-makers and 54% of employees), with Germany at the bottom amongst its decision-makers (60%) and the UK lowest amongst employees (45%).

It begs the question, if companies are monitoring the competition, why are employees reporting a lack of confidence? What's not translating?

Maybe it is this lack of internal communication that is fuelling concerns with employees that their organisations don't know who the competition is.

I believe our competitors are better at marketing than my organisation

Over half (55%) of decision-makers are envious of their competitor's marketing it would appear. While only 37% of employees agreed with them.

US decision-makers ranked highest with nearly three quarters (74%) agreeing with the statement, but UK and German counterparts were lowest, with exactly half (50%) in agreement.

The feeling was also high amongst US employees, who reported the highest findings (43%), with UK and German employees both coming in at 35%.

Our product speaks for itself, so my organisation doesn't worry about competition

We believe you should always have one eye on the competition, and now isn't the time to become complacent. Yet 67% of decision-makers agreed with this statement, and so did 50% of employees.

Once more, the US was top for both decision-makers and its employees (79% and 54% respectively), while 62% of UK, German and Australian decision-makers agreed, with UK employees reporting lowest findings at 45%.

Our research presents a picture of complacency. Organisations are positive about the virtues of their product but are not clear on who the competition is and envious of the marketing effort of others. Believing in your product is one thing, but without clear insight into who the competition is and what they are saying and doing, how can you create a strategy that stands out from the crowd?

3. Communication

So far, we've seen that internal communications need to improve as there's a great deal of disparity between the two groups surveyed. Insight is not being shared appropriately and staff are not convinced by how decisions are being made. This was particularly evident when we looked at the third pillar of our research.

I have received regular communication and guidance from senior management on how my organisation is performing during the Covid-19 pandemic

75% of decision-makers agreed with this statement versus 59% of employees. A big disconnect between the two—and even more worrying, over 40% of employees don't agree.

It was evident in the US, with 88% of decision-makers saying yes, and only 66% of US employees backing them. In Germany, decision-makers accounted for 64% while German employees came in at 50%.

I believe my organisation has an effective business strategy for the next 12 months and this has been communicated to the whole organisation

Three quarters of decision-makers (75%) agree they have a clear strategy but again, our figures suggest this isn't being communicated down the line as employees' findings only reported 57%.

In terms of decision-makers, the US was top (86%) and Germany bottom (69% in agreement). US employees came in at 60% in agreement and German employees lower still at 53%, a little over half.

In these uncertain times, I believe it is more important now than ever for organisations to have a strategic vision and an effective business strategy

Over three quarters (76%) of decision-makers agreed with this statement, as did just 67% of employees overall.

Of decision-makers in the US, 84% agreed, while this number was just 71% in Germany.

When looking at employees across the countries surveyed, the feeling was highest amongst Australian employees (70%), then the US (69% of employees), with UK and German employees both at 62%.

This shows employees believe that having an effective business strategy is important, but fundamentally they don't believe their company is getting it right. This is backed up with our next statement.



I don't believe my organisation's business strategy will be effective

Only half (52%) of decision-makers agree with this statement, which should be a cause for concern. It gets worse though, as when we look at the opinions of employees a little over a third of employees (36%) agree. This rose to 62% of decision-makers in the US, versus 42% in the UK. While 43% of US employees agreed only 32% of UK employees did.

It is also clear to see the results of the disconnect between customer and competition insight and the communication issues internally at organisations. Decisions are being made but the reasons behind these tactics are not being made clear to everyone.

Even worse than not believing in a strategic vision is the belief internally that one doesn't exist. When we asked if respondents agreed with the statement:

I don't believe my organisation has a strategic vision

Under half (49%) of decision-makers agreed, as did 36% of employees. When more than half of decision makers don't believe the organisation has a strategic vision this is a cause for concern. When you consider this statistic, 36% of employees actually sounds like a high number which is simply not good enough.

Looking at the difference between the countries, the US was highest at 61%, and the UK lowest at 42%, for decision-makers. While employees in the US reported 43% and lowest was Australian employees at just 32%.



Studying the results from the research it's clear businesses fail to collect the right data and insight before putting their plans in motion. Why is this? One of the reasons can simply be a lack of capability. Over the past two years, we've worked with Target Internet to benchmark the digital skills of 9,000 professionals at all levels of business to address that very question.

In critical areas, such as data and analytics there is a clear skills gap, which can hinder board members and marketers alike looking to collect and analyse data to make robust plans. Our research found that while junior staff have focused on developing their digital skills to address key customer requirements and to further their careers, other levels have faltered. The digital specialists have become more specialist, improving their knowledge but not breadth of marketing skills. Whilst managers and heads of departments have spread their skills to keep up with the increasing pace of the business world and, in some cases, fallen back on digital skills, including data and analytics.

For any board an understanding where the skills gaps are within their teams and where to go to fill the information gaps is vital. Once you have a robust strategy backed up with insight and data, you are only part of the way there. Now you need your staff to implement the plan and deploy the appropriate tactics. This is where your internal comms comes in. Winning hearts and minds is key, only when your staff understand the thinking behind the key decisions will they really put their heart and soul into it, making it a success.

James Delves,
*Head of PR and External Engagement,
Chartered Institute of Marketing*

Conclusions

Customers, competition, and communication. Understanding the importance of all three of these is critical for any business plan to succeed, especially during this global pandemic we find ourselves in.

Involving your marketing teams when you consider implementing a strategy is critical. If you do not fully understand the problem you are trying to solve, or understand the wants, needs and opinions of your customers, how can you consider navigating the next stage of your organisation's journey? You are destined to come up short, before you even start.

Likewise, not understanding what your competition is saying and doing is fundamental if you are to stand out for the right reasons.

As the greatest strategist of them all, **Sun Tzu**, observed more than two millennia ago: *"Tactics without strategy is the noise before defeat"*.

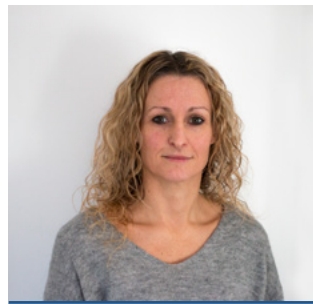
I believe the research shows this sage advice is still being ignored. If businesses want to survive and thrive, they need to stop the preoccupation with tactics and tools and focus on getting their strategy right.

Marketing has always been founded on empathy and understanding consumers. It has always recognised that it needs to put itself in the place of its audience and then come up with a strategy that helps the organisation win in the market. This is why we were delighted to partner with the CIM on this project to understand the issue and demonstrate the important role marketing departments have in supporting the businesses they work for. Understanding what customers want, knowing who the competition is and what they are doing is essential to creating strategy, but you also need to communicate it. Ensuring everyone is onboard and understands why the business is taking a specific strategy will guarantee its most important ambassadors (its employees) are excited and fully behind the business during these difficult times.

When this has been achieved, then a business can implement tactics. The worry from our research was the amount of businesses who are blindly focused on specific tactics and approaches regardless of insight gleaned from customers and the competition.

Now is not the time to just continue blindly doing what you have always done and hope it will come good. As Sun Tzu explained, that is a strategy that simply leads to defeat.

Paul Stallard,
Managing Director,
Arlington Research



What stood out most from the research with Arlington Research was the disconnect between decision-makers and employees across businesses. The lack of internal communication across key stakeholders (c-suite to employees and vice versa) has a negative effect on a number of areas including, engagement, productivity and potential growth. Equally poor internal communication can also translate to poor external communication which can lead to potential impacts to retention or acquisition of customers. And, more critically could drive your customers to your competition if they are communicating more effectively. Marketing departments worldwide currently find themselves in an elevated position which brings with it opportunity to influence the board and to be the driving force needed to safely navigate the journey we are all on.

Marketing is the bridge between the consumer and organisation, and as such is the pivot between the creativity and data analysis. More than ever marketing needs to act as the organisation's customer champions, understanding the customer journey and experience. Using customer insights and data, our profession must help identify operational, proposition and growth opportunities and help guide the business.

"Our advice to is, understand the problem you face, build a solution based on data and insight and ensure the organisational structure and systems are in place internally to enable you to implement your strategy in line with both your internal and external objectives.

Gemma Butler,
Marketing Director,
Chartered Institute of Marketing

About CIM

The Chartered Institute of Marketing (CIM) is the world's leading professional body for marketing, with over 28,000 members worldwide, of which there are over 2,500 Chartered Marketers. CIM's mission is to create a marketing advantage for the benefit of professionals, business and society with a focus on export, data and skills. CIM believes marketing is the critical factor in driving long term organisational performance.

CIM provides members and organisations with five key benefits:

- **Partnership** – CIM is a professional and organisational partner to support performance and career development
- **Education** – CIM allows individuals and businesses to continuously upskill
- **Information** – CIM keeps members up to date with the latest marketing thinking, and keeps organisations at the forefront of practices
- **Connection** – CIM provides access to services, expertise and peers
- **Recognition** – CIM is the global benchmark of professional competence

For more than 100 years, CIM has supported, represented and developed marketers, teams, leaders and the profession as a whole. There are 120 CIM study centres in 32 countries and exam centres in 132 countries worldwide. In the last year, over 7,500 people registered at over 230 UK CIM events. Find out more about CIM by visiting www.CIM.co.uk

About Arlington Research

Arlington Research is a full-service independent market research agency. We provide clients from around the world with robust data via quantitative research, in depth exploration via qualitative research, and audits on what's out there already via desk research. All our team are director level and focused on providing intelligent analysis and creative insight that help our clients bring their story to life.

Our director-level team will design your research from sample design to final reporting. Each piece of research is reliable, robust, delivered with a quick turnaround, and analyzed to ensure the research creates maximum impact. Our scope of work is broad, and we run research for leading brands and organizations from many different sectors. We are experienced in researching hard-to-reach audiences and markets and we would love to help bring your story to life.

www.arlingtonresearch.global

